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July 13, 2009 The City of Lawrence Receives a 1.2 Million Grant for Neighborhood Stabilization

Mayor Michael J. Sullivan announced today that the City of Lawrence has been awarded a Neighborhood Stabilization Program (NSP) grant in the amount of \$1.2 million from the Massachusetts Department of Housing and Community Development. The grant is part of the Economic and Housing Recovery Act of 2008 passed by Congress in July 2008 and is administered by the U.S. Department of Housing and Urban Development (HUD) to aid in the purchase of foreclosed or abandoned homes and rehabilitate, resell, or redevelop them. The aim of the program is to stabilize communities most severely affected by the foreclosure crisis.

In 2007 and 2008 foreclosure petitions were three times the statewide average in Lawrence. Mayor Sullivan said, "The NSP program will allow us to take our coordinated actions one step further with direct intervention to bring foreclosed properties back into the hands of responsible owners as affordable and quality housing."

The City's Community Development Department will administer the NSP funds through several strategic models including a homebuyer assistance program. The program will aid income eligible homebuyers with the purchase of a foreclosed and vacant primary residential property by providing \$14,000 in down payment and closing cost assistance.

The City is also partnering with the Massachusetts Housing Partnership (MHP) to make SoftSecond mortgage loans available to income eligible homebuyers. The loans eliminate the need for private mortgage insurance by splitting a conventional home mortgage in two and ultimately reducing the monthly mortgage costs for the homebuyer. In addition, the City and MHP will make available NSP funds for housing rehabilitation activities. The subsidy will enable homebuyers to finance needed repairs before they move in.

For additional information on the NSP program, please call Ana Camargo of the City of Lawrence Community Development Department at (978)620-3510.

The Lawrence Community Development Department (CDD) focuses on improving the quality of life in Lawrence. As the city's chief agency for community planning and urban development, the CDD oversees programs in housing, economic development, land use planning and transportation. Among the grants the department administers is the Community Development Block Grant Program from HUD, one of the largest sources of funds to help the community. The CDD aims to enhance the physical environment and improve the quality of life for the diverse community of Lawrence.

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